

Testimony

House Bill 1319

Wednesday, January 19, 2005; 9:15 a.m.

North Dakota Department of Health

Good morning, Chairman Belter and members of the House Finance and Taxation Committee. My name is Kelly Carlson, and I am the worksite wellness coordinator for the North Dakota Department of Health. I am here to provide information about employee wellness programs.

The leading high-risk behaviors that cause disease in North Dakota are tobacco use, poor diet, inactivity and alcohol use. More than 60 percent of adults in North Dakota are overweight or obese and 21 percent smoke. Individuals, employers and the state bear the costs of high-risk behaviors through lost productivity and higher health insurance costs. In fact, obesity and tobacco-related medical expenditures alone exceed \$365 million every year in North Dakota.

Nationwide, health insurance premiums for families in employer-sponsored plans soared 13.9 percent in 2003, the third year of double-digit growth and the biggest increase since 1990. That same year, small businesses saw a 16.6 percent increase in their health insurance premiums.

More than 63 percent of North Dakotans older than 16 are in the workforce, and 76 percent of North Dakota adults younger than 65 have employer-based group health insurance. Because the majority of adults can be reached through the workplace, it is the most viable venue in which to implement health programs that address behavior change and help control health-care costs.

In 2001, the North Dakota Department of Health conducted a benchmark worksite wellness survey. A total of 1,110 North Dakota employers completed the survey, with an equal response rate from small, medium and large businesses. The survey indicated that more than 80 percent of the employers who responded believe in the benefits of employee wellness programs. However, the majority of employers indicated they do not have the budget needed to develop and implement such programs. A financial incentive may help employers to offer wellness programs to their employees.

Dr. Kenneth Cooper, founder of the Cooper Institute, and Larry Chapman, chairman and senior consultant with Summex Corporation, both renowned worksite wellness experts, stress that it is essential to conduct a health risk survey in order for employee wellness programs to be successful. A health risk survey is a needs assessment that provides

information related to an individual's medical and family history and lifestyle behaviors. The survey will identify at-risk individuals and identify screening priorities and prevention options, such as increased physical activity, nutrition consultations or smoking cessation programs.

Studies have shown that comprehensive employee wellness programs can lower health-care costs and insurance premiums, decrease absenteeism, and improve performance and productivity. In other words, lowering risks can help control the high price of health care. A 1998 analysis of eight rigorously evaluated health promotion programs determined an average reduction in health-care expenses of \$3.35 for every dollar spent on health promotion. (The Art of Health Promotion 1998: 2[1]) In addition, employee wellness programs can improve a business's ability to attract and retain key personnel, can result in greater employee allegiance, and can improve the public image of the company.

This concludes my testimony. I am happy to answer any questions you may have.